GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1279
ANSWERED ON:25.07.2016
Startup India Programme
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government proposes to launch the start up India and Stand up India programmes to boost entrepreneurship at grass-root levels;

(b) if so, the details and the salient features thereof;

(c) whether the Government has finalised the action plan for the purpose and if so, the details thereof; and

(d) whether the Government proposes to link the said programme with the IITs, IIMs, NITs etc. and if so, the details thereof along with the benefits likely to accrue therefrom?

Answer

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THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

(a) to (c): Startup India is a flagship initiative launched by the Government of India on 16th January, 2016 to build a strong eco-system for nurturing innovation and startups in the country which will drive economic growth and generate large scale employment opportunities. The Government through this initiative aims to empower startups to grow through innovation and design. The Standup India scheme was launched on 5th April, 2016 to facilitate bank loans from Scheduled Commercial Banks (SCBs) between Rs.10 lakh to Rs.1 Crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) and one woman per bank branch for setting up a greenfield enterprise in trading, services or manufacturing sector. The scheme is expected to benefit at least 2.5 lakh borrowers.
Each enterprise will provide jobs depending on the nature of its operation.
The salient features of Startup India are as follows:

i. Simplification and Handholding
â€¢ Simple Compliance Regime for startups based on Self-certification
â€¢ Launch of Mobile app and Portal for compliance and information exchange
â€¢ Startup India Hub to handhold startups during various phases of their development
â€¢ Legal support and fast-tracking patent examination at reduced costs
â€¢ Relaxed norms of public procurement for startups
â€¢ Faster exit for startups

ii. Funding support and Incentives
â€¢ Providing funding support through a Fund of Funds with a corpus of Rupees 10,000 crore
â€¢ Credit guarantee fund for startups
â€¢ Tax exemption on capital gains invested in Fund of Funds
â€¢ Tax exemption to startups for 3 years

iii. Industry-Academia Partnership and Incubation
â€¢ Organizing Startup Fests to showcase innovations and providing collaboration platforms
â€¢ Launch of Atal Innovation Mission (AIM) with Self −Employment and Talent Utilization (SETU) Program of NITI Aayog
â€¢ Harnessing private sector expertise for setting up incubators
â€¢ Setting up of 7 new research parks modeled on the Research Park at IIT Madras
â€¢ Launching of innovation focused programs for students.
â€¢ Annual Incubator Grand Challenge to promote good practices among incubators.

iv. Credit Guarantee Fund
The initiative provides for creating a credit guarantee fund for startups through Small Industries Development Bank of India (SIDBI) with a Corpus of Rs.500 crore per year for the next four years.
With this Action Plan the Government intends to accelerate spreading of the startup movement:
â€¢ From digital/technology sector to a wide array of sectors including agriculture, manufacturing, social sector, healthcare, education, etc.; and
â€¢ From existing tier 1 cities to tier 2 and tier 3 cities including semi-urban and rural areas.
The progress on the action points of the Startup India Action plan is Annexed.

(d): The Action Plan envisages setting up of 7 New Research Parks modeled on the Research Park at IIT Madras at IITs in Guwahati, Hyderabad, Kanpur, Kharagpur, Bangalore, Gandhinagar and Delhi and setting-up/scaling-up of 18 Technology Business Incubators (TBIs) at NITs/IITs/IIMs etc. as per the funding model of Department of Science and Technology. Startups will be able to access the facilities of the Research parks and Incubators and also receive the required support to give shape to their ideas.
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